



CITY OF EKURHULENI
Metropolitan Municipality

EXTRACT FROM THE MINUTES OF THE EXTRAORDINARY COUNCIL MEETING OF THE CITY OF EKURHULENI METROPOLITAN MUNICIPALITY HELD ON 23 MAY 2019

A-F (28-2019) **REVIEWED INTEGRATED DEVELOPMENT PLAN (IDP), MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF), DEMAND MANAGEMENT PLAN AND BUILT ENVIRONMENT PERFORMANCE PLAN (BEPP): 2019/2020 TO 2021/2022**

RESOLVED

1. **That** the Council of the City of Ekurhuleni, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) **APPROVES** and **ADOPTS**:
 - 1.1 The budget of the City and the entities for the financial year 2019/20 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1 Budgeted Financial Performance (revenue and expenditure by function classification) as contained in Table 22 of **Annexure B**;
 - 1.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 23 of **Annexure B**;
 - 1.1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 25 of **Annexure B**;
 - 1.1.4 Budgeted Capital Expenditure by vote, standard classification and funding source as contained in Table 26 of **Annexure B**.
 - 1.1.5 The entities budget is depicted on the following tables:
 - 1.1.5.1 Ekurhuleni Housing Company contained in Table 70 of **Annexure B**
 - 1.1.5.2 Brakpan Bus Company contained in Table 79 of **Annexure B**
 - 1.1.5.3 ERWAT contained in Table 81 of **Annexure B**
 - 1.2 The financial position, cash flow budget, cash backed reserve / accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1 Budgeted Financial Position as contained in Table 27 of **Annexure B**;
 - 1.2.2 Budgeted Cash Flows as contained in Table 28 of **Annexure B**
 - 1.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table 29 of **Annexure B**;
 - 1.2.4 Asset management as contained in Table 30 of **Annexure B**, and
 - 1.2.5 Basic service delivery measurement as contained in Table 31 of **Annexure B**.
2. **That** the Council of the City of Ekurhuleni, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES** and **ADOPTS** with effect from 1 July 2019:



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- 2.1 Schedule 1 - Tariffs for property rates.
 - 2.2 Schedule 2 – Tariffs for electricity.
 - 2.3 Schedule 3 - Tariffs for the supply of water.
 - 2.4 Schedule 4 - Tariffs for the supply of sewer.
 - 2.5 Schedule 5 – Tariffs for waste management services.

– as set out in **Annexure C**.

- 3. **That** the Council of the City of Ekurhuleni, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES** and **ADOPTS** with effect from 1 July 2019 the tariffs for other services, as set out in the various tariff schedules as contained in **Annexure C**.
- 4. **That** to give proper effect to the municipality's annual budget, the Council of the City of Ekurhuleni **APPROVES**:
 - 4.1 **That** cash backing is implemented through the utilisation of a portion of the revenue generated from property rates and user charges for services to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by Section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2 **That** the municipality **BE PERMITTED** to enter into long-term borrowings for the funding of the capital programmes in respect of the 2019/20 financial year limited to an amount of R3.749 billion, 2020/21 financial year limited to an amount of R3.494 billion and 2021/22 financial year limited to an amount of R3.474 billion, in terms of Section 46 of the Municipal Finance Management Act.
 - 4.3 **That** the City Manager **BE AUTHORISED** to sign all necessary agreements and documents to give effect to the above lending programme.
 - 4.4 **That** the taking up of an external loan of R3.749 billion to fund the 2019/20 Capital Budget **BE APPROVED** for a term of 10 to 15 years and that a further report be submitted to Council to give feedback on the public comments received in this regard before the transaction is finalised.
- 5. **That** to guide the implementation of the municipality's annual budget, the Council of the City of Ekurhuleni **APPROVES** the policies as set out in the following Annexures of this document.

Annexure D1	Medium-term Budget Policy Statement (reviewed)
Annexure D2	Pricing Policy Statement (reviewed)
Annexure D3	Property Rates Policy (reviewed)
Annexure D4	Provision of Free Basic Electricity Policy (reviewed) & Provision of Free Basic Water Supply Services Policy (reviewed)
Annexure D5	Waste Management Services Tariff Policy (reviewed)
Annexure D6	Consumer Deposit Policy (reviewed)
Annexure D7	Indigent Support Policy (reviewed)
Annexure D8	Credit Control & Debt Collection Policy (reviewed)
Annexure D9	Provision for Doubtful Debtors and Debtors Write Off (reviewed)



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Annexure D10	Budget Implementation and Monitoring Policy (reviewed)
Annexure D11	Municipal Entity Financial Support Policy (reviewed)
Annexure D12	Accounting Policy (reviewed)
Annexure D13	Electricity Metering for Residential and business Customers (reviewed)
Annexure D14	Policy for the Vending of Pre-Paid Electricity (reviewed)
Annexure D15	Policy for Correction of Meter Reading and Billing Data (reviewed)
Annexure D16	Electricity Tariff Policy (reviewed)
Annexure D17	Virement Policy (reviewed)
Annexure D18	Consumer Agreement Policy (reviewed)
Annexure D19	Supply Chain Management Policy (reviewed)
Annexure D20	Treasury Policy (reviewed)
Annexure D21	Allocation for Grants-in-Aid Policy (reviewed)
Annexure D22	Asset Management Policy (new)

6. **That** to ensure oversight of the municipal entities, as required by Section 89 of the Municipal Finance Management Act, Council **APPROVES** the salaries and benefits of the Municipal Entities to be in line with the proposed increases as set out in the budget of the City of Ekurhuleni.
7. **That** the Group Chief Financial Officer and the City Manager **BE DELEGATED** the authority to take the following factors into consideration and submit a report to Council at the next Council meeting:
- 7.1 approved 2018/19 grant roll-overs requiring urgent implementation;
 - 7.2 additional income received from service connections;
 - 7.3 income received from insurance claims that that must paid out to claimants;
 - 7.4 income received from developers requiring service connections;
 - 7.5 non-cash items for inter-departmental charges; and
 - 7.6 re-allocations from Council General vote to other votes.
8. **That**, in order to facilitate multi-year budgeting, Heads of Departments **BE AUTHORISED** to commit projects on the 2019/20 and 2020/21 budgets, on both internal and confirmed external funding sources.
9. **That** authority **BE GRANTED** to the City Manager and the Chief Financial Officer to negotiate a bridging finance to a maximum amount of R200 million, in respect of bank overdraft facilities and/or the raising of short-term loans, including loans at call from Council's bankers, for the financial year ending 30 June 2020 in order to finance temporarily (within a period of one year) –
- Expenditure on the Capital Budget; or
 - Expenditure on the Operating Budget incurred in anticipation of the receipt of revenue estimated and from which the expenditure would have been defrayed.
10. **That** the City of Ekurhuleni's Reviewed IDP for 2019/20 as contained in **Annexure "A"** **BE ADOPTED**.
11. **That** a copy of the IDP **BE SUBMITTED** to the MEC for Local Government and relevant provincial department.



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12. That the MEC for Local Government **BE REQUESTED** to approve the City of Ekurhuleni's Reviewed IDP for 2019/20 as its Land Development Objectives as envisaged in Section 72a of the Development Facilitation Act.
13. That the City of Ekurhuleni's Demand Management Plans for 2019/20 as contained in **Annexures G1 and G2 BE NOTED**.
14. That the Built Environment Performance Plan (BEPP) for the 2019/2020 to 2021/2022 financial period, attached to the report as **Annexure H, BE ADOPTED**.
15. That it **BE NOTED** that the SDBIP for 2019/20 (**Annexure E**) **WILL BE TABLED** within 28 days after the approval of the budget.
16. That the Service Level Standards for 2019/20, attached to the report as **Annexure I, BE ADOPTED**.
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**CERTIFIED A TRUE EXTRACT
SIGNED AT GERMISTON ON THIS 24th DAY OF MAY 2019**



SECRETARY TO COUNCIL: CITY OF EKURHULENI METROPOLITAN MUNICIPALITY